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Directorate C – Macro-economic statistics
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HICP Compliance Monitoring

Follow-up report – Sweden

Date of visit of the Compliance Monitoring

October 2021

Compliance Monitoring Report published ⁽¹⁾

March 2022

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1. Compliance issues and progress made by Statistics Sweden

- **Statistics Sweden should exclude income in kind and consumption of own products and ensure that the scope of the Swedish HICP is fully in line with the HFMCE concept.**

This compliance issue has been fully addressed. Since the survey that took place in 2022, the Swedish HICP excludes income in kind and consumption of own production. Statistics Sweden has also reviewed the weights calculations in relation to the implementing regulation and has ensured that they are in line with Household final monetary consumption expenditure concept.

⁽¹⁾ The report is available on Eurostat's website: [HICP Compliance Monitoring - Sweden \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1)

2. Eurostat's recommendations for improving the quality of the Swedish HICP and progress made by Statistics Sweden

- **Statistics Sweden should more extensively and systematically include purchases made on the internet by resident households on foreign websites in the HICP in line with the HICP recommendations on cross-border internet purchases.**

This recommendation has been partially implemented. The Swedish HICP does not yet cover cross-border internet purchases. Eurostat takes note of the progress reported by Statistics Sweden on investigating potential data sources. Eurostat expects that the Swedish HICP will include cross-border internet purchases from 2026 onwards.

- **Statistics Sweden should replace the weights data source for clothing and footwear, furniture and household appliances, for which the split between products below the 4-digit ECOICOP level has been assumed to be the same since 2012.**

This recommendation has been partially implemented. Statistics Sweden informed that a methodology for household consumption in National Accounts is under development. More detailed estimates have been implemented for household appliances since January 2023. Statistics Sweden continues to work on clothing and footwear with the aim of implementing improved estimates in National Accounts in 2025. New estimates for furniture will likely be implemented within a few years in National Accounts, which will also enable more detailed estimates in the HICP.

- **Statistics Sweden should explore ways of separating out the weight component of water supply from actual rentals and include it in the ECOICOP weight for 04.4.1, which only covers expenditures incurred by owner-occupiers.**

This recommendation has not been implemented. Statistics Sweden has not been able to separate water supply weights from actual rentals due to the lack of data sources. At the time of the compliance monitoring review in 2021, the HICP team envisaged that the in-house survey "Revenues and expenditure survey for multi-dwelling buildings" could be used. Statistics Sweden later discontinued this survey as a part of cost-cutting measures. Eurostat recommends continuing the work on separating the water supply expenditures from the actual rents.

- **Statistics Sweden should reassess the weight associated with fees and service charges of brokers and investment counsellors (ECOICOP 12.6.2.2.), which may be overestimated.**

This recommendation has not been implemented. Statistics Sweden shared plans to address this recommendation within the next 5 years. Eurostat recommends to speed-up the work on this matter in cooperation with the National Accounts.

- **Statistics Sweden should study the possibility of using detailed net (instead of gross) insurance product weights within insurance product groups (ECOICOP 12.5)).**

This recommendation has not been implemented. Statistics Sweden has committed to create an action plan for this recommendation by the end of 2024. Eurostat recommends to speed-up the work on this matter in cooperation with the National Accounts.

- **Statistics Sweden should further explore the separation of the cost for renting and other costs.**

This recommendation has not been implemented. Upon the request of the Government Statistics Sweden has been researching the setup of a 'national rental database'. The results, expected by September 2025, will confirm whether the database would contain the necessary data to address this recommendation. Eurostat invites Statistics Sweden to inform about the results and to prioritize the separation of the costs for renting dwellings from the other costs.

- **Statistics Sweden should replace the monthly chaining and replenishment method with explicit quality adjustments in the compilation of the price indices for mobile telephone equipment and computers.**

This recommendation has been implemented. In 2022, Statistics Sweden changed the quality adjustment method for mobile telephone equipment and computers to judgmental quality adjustment, supported by hedonics. The method "Monthly chaining and replenishment" is no longer used in the Swedish HICP.

- **Statistics Sweden should analyse whether products that are typically available for purchase in significant amounts in part of the year, such as ski equipment, plants and flowers, camping sites and similar accommodation services, could be treated as seasonal and included in the index through a seasonal method.**

This recommendation has not been implemented. Statistics Sweden informed that the implementation of an all-season estimation method is being prepared to be implemented by 2025 for camping sites and cabin accommodation services. Eurostat stresses the relevance of including all seasonal products with significant weight in the HICP.

3. Additional measures to improve the quality of the Swedish HICP

For second-hand cars, Statistics Sweden switched data source and, therefore, changed the calculation method from the “matched car model method” to a direct method where the characteristics of the car model are held constant during the year.

4. Conclusion

Eurostat takes good note that Statistics Sweden implemented all measures related to the compliance issue on the inclusion of income in kind from the HICP weights, identified during the compliance monitoring mission in 2021.

Eurostat takes note that the progress made on the quality improvement recommendations is rather limited.

Statistics Sweden should continue to implement improvement measures, particularly those related to the recommendations on cross-border internet purchases, weight associated with clothing and footwear, furniture, fees and service charges of brokers and investment counsellors, and insurance.

Several recommendations would benefit from close collaboration between price statisticians and national accountants.

